

AMENDED IN SENATE JUNE 25, 2001

AMENDED IN ASSEMBLY MAY 31, 2001

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AMENDED IN ASSEMBLY APRIL 5, 2001

CALIFORNIA LEGISLATURE—2001–02 REGULAR SESSION

ASSEMBLY BILL

No. 1391

**Introduced by Assembly Members Cardoza, Cogdill, Cohn, Diaz,
Oropeza, and Reyes**

February 23, 2001

An act to add Section 63051 to, and to add and repeal Article 3.8 (commencing with Section 15347) of Chapter 1 of Part 6.7 of Division 3 of Title 2 of, the Government Code, relating to telecommunications, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 1391, as amended, Cardoza. San Joaquin Valley: Communications Leadership and Information Center.

Under the Bergeson-Peace Infrastructure and Economic Development Bank Act, the California Infrastructure and Economic Development Bank is established within state government to make secured loans and undertake related activities for the purpose of financing projects that relate to infrastructure improvements.

This bill would require the Technology, Trade, and Commerce Agency to establish, until January 1, 2007, the Communications Leadership and Information Center (CLIC) in the Technology, Trade, and Commerce Agency for the purposes of promoting the expansion of

the telecommunications infrastructure in the San Joaquin Valley, facilitating the creation of a technology leadership team in the 8 counties within the San Joaquin Valley, acting as a liaison on communications infrastructure matters with state and local entities, championing private sector telecommunications investments in the San Joaquin Valley, and overseeing a grant and loan program for public investments in the telecommunications infrastructure of the San Joaquin Valley.

This bill would require the Secretary of the Technology, Trade, and Commerce Agency to oversee the CLIC and would require the CLIC to be administered by a 15-member board of directors to be appointed or selected, as specified. The bill would prescribe the duties and responsibilities of the board of directors with respect to communications infrastructure and related economic development.

This bill would establish the San Joaquin Valley Communications Leadership and Information Center Grant and Loan Program as a 5-year program. The bill would declare the Legislature's intent that the program provide \$22,250,000 in grants to eligible entities, as described, including small cities and rural communities, and \$100,000,000 in loans to eligible entities, as described, including large cities. The grant portion of the program would include a local match component.

This bill would establish the Communications Leadership and Information Center Account as an account within the California Infrastructure Bank Fund. The bill would authorize the sale of a sufficient amount of revenue bonds to generate \$100,000,000 of bond proceeds. The bond proceeds would be deposited into the account and would be used for the purposes of funding the loan portion of the program established by these provisions. The bill would require the Infrastructure and Economic Development Bank to administer the financial aspects of the loan program in accordance with this bill.

This bill would appropriate \$5,450,000 from the General Fund for the 2001–02 fiscal year to the Technology, Trade, and Commerce Agency for allocation to CLIC to fund the grants authorized by these provisions and the operational expenses of CLIC. The bill would also declare the Legislature's intent to appropriate \$5,450,000 for these purposes for each of the next 4 fiscal years. Up to \$1,000,000 of the money appropriated in any fiscal year would be made available for the operation of CLIC, including staffing, equipment and supplies, travel and expenses, with the remaining funds to be used to fund grants.



Vote: ²/₃. Appropriation: yes. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Article 3.8 (commencing with Section 15347) is added to Chapter 1 of Part 6.7 of Division 3 of Title 2 of the Government Code, to read:

Article 3.8. Communications and Leadership Information Center

15347. The Legislature finds and declares as follows:

(a) The San Joaquin Valley is a large and complex region that is undergoing tremendous growth and change. These pressures are compounded by geographic separation and daunting social and economic forces.

(b) Current data indicate significant challenges must be overcome if the area is to reduce unemployment and increase wages. The region's response to these challenges will determine the future of the San Joaquin Valley, its economic sustainability, and the quality of life for its residents. The San Joaquin Valley, in turn, will affect the entire State of California, either as a positive contributor or as an economic drain.

(c) The eight-county region that includes the Counties of Fresno, Kern, Kings, Madera, Merced, San Joaquin, Stanislaus, and Tulare, which has been historically dependent on the mono-culture of agriculture, is increasingly recognizing the necessity for economic diversification, the opportunities presented by the new economy, and the enabling prospects that technology offers. The region is beginning a process of long-term systemic change that goes to solving long-existing issues.

(d) However, as our society becomes increasingly information-based and knowledge-driven, opportunities for equal participation through education, jobs, and community become skewed among socioeconomic and geographically distributed groups. Enhancing the number and diversity of those who have access to and are motivated to use the new technology will help the region as a whole.

1 (e) The “digital divide” is particularly evident in the San
2 Joaquin Valley, where access to technology and computer use is
3 significantly lower than in the high tech centers of Los Angeles,
4 the San Francisco Bay area, and Sacramento.

5 (f) The project seeks to put in place the enabling infrastructure
6 that will support new and better paying jobs and close the digital
7 divide in the San Joaquin Valley.

8 (g) The project will increase the utilization of information and
9 advanced communications technologies across the diversity of the
10 San Joaquin Valley and focus on encouraging and facilitating the
11 use of and access to those technologies in all its communities.

12 (h) The grant and loan program will encourage and enable
13 communities to determine and implement their own course of
14 technology utilization, a course consistent with locally driven
15 priorities and requirements while coordinated with regional
16 initiatives and a nonduplicative and nonredundant structure.

17 (i) A new and more comprehensive process of regional
18 collaboration and information sharing based on a coordinated and
19 cooperative overall telecommunications strategy can be
20 accomplished through the establishment of a regional
21 Communications Leadership and Information Center (CLIC) and
22 creating a CLIC Board of Directors for the purposes of providing
23 a long-term strategy, structure, and coordination for
24 telecommunications infrastructure with a focus on regional
25 communications technologies, policy, and applications.

26 15347.1. This article shall be known and may be cited as the
27 San Joaquin Valley Communications Leadership and Information
28 Project.

29 15347.2. (a) The Technology, Trade, and Commerce Agency
30 shall establish a Communications Leadership and Information
31 Center (CLIC) in accordance with this article.

32 (b) CLIC is created for the following purposes:

33 (1) To promote the expansion of the telecommunications
34 infrastructure in the San Joaquin Valley by acting as a
35 clearinghouse for technical information.

36 (2) To facilitate the creation of a technology leadership team in
37 the eight counties within the San Joaquin Valley that include the
38 Counties of Fresno, Kern, Kings, Madera, Merced, San Joaquin,
39 Stanislaus, and Tulare.



1 (3) To act as a liaison on communications infrastructure
2 matters with state and local entities.

3 (4) To champion private sector telecommunication
4 investments in the San Joaquin Valley.

5 (5) To oversee a grant and loan program for public investments
6 in the telecommunications infrastructure of the San Joaquin
7 Valley, including programs that bridge the digital divide, in order
8 to expand the availability of broadband services in furtherance of
9 economic development.

10 (c) The Secretary of the Technology, Trade, and Commerce
11 Agency shall oversee CLIC.

12 15347.3. (a) CLIC shall be administered by a board of
13 directors comprised of the following 15 members:

14 (1) The Secretary of Technology, Trade, and Commerce.

15 (2) Fourteen members who shall be appointed as follows:

16 (A) ~~Six~~ Four members shall be appointed by the Governor.

17 (B) ~~Four members~~ One member shall be appointed by the
18 Senate Committee on Rules.

19 (C) ~~Four members~~ One member shall be appointed by the
20 Speaker of the Assembly.

21 (D) One member each shall be appointed by the county board
22 of supervisors of the Counties of Fresno, Kern, Kings, Madera,
23 Merced, San Joaquin, Stanislaus, and Tulare in the San Joaquin
24 Valley.

25 (b) The appointing authority shall seek recommendations for
26 nominations of potential members for the board of directors from
27 local governments, universities, economic development
28 organizations, nonprofit organizations, and businesses, including
29 agriculture.

30 15347.4. The board of directors shall do all of the following:

31 (a) Set regional goals for communication infrastructure
32 projects and related economic development issues and activities.

33 (b) Design and administer a grant program focused on
34 attracting advanced communications services to the San Joaquin
35 Valley.

36 (c) Assist in coordinating local and regional initiatives
37 pertaining to communications infrastructure and connectivity.

38 (d) Approve the allocation and dissemination of funds
39 appropriated or allocated to CLIC.

40 15347.5. CLIC shall do all of the following:

1 (a) Act as a clearinghouse for information related to
2 telecommunications infrastructure and advanced
3 telecommunications services and provide a library of technical
4 information including resources for identifying and applying for
5 grants.

6 (b) Facilitate the creation of a technology leadership team in
7 each of the eight counties in the San Joaquin Valley with
8 responsibility for encouraging local implementation of local
9 initiatives that support their communications objectives and
10 strategies.

11 (c) Create a regional forum for public and private sector and
12 regional technology leaders providing opportunities to share best
13 practices and stay up to date on new technologies and policies.

14 (d) Assist local economic development corporations,
15 workforce training boards, and others charged with job creation.

16 (e) Act as liaison on communications infrastructure matters
17 between local entities and the state, as represented by the
18 Technology, Trade, and Commerce Agency.

19 (f) Oversee the implementation and coordination of projects
20 such as those designed to make the San Joaquin Valley a
21 world-recognized center for research and development of
22 communications technologies to enhance the productivity of
23 growers, processors, and distributors.

24 (g) Encourage and support mechanisms such as community
25 technology centers and computer recycling programs that make
26 information technologies, equipment, and the acquisition of
27 related skills more accessible to disadvantaged and low-income
28 communities.

29 (h) Encourage and support technology training programs to
30 build an information literate workforce.

31 (i) Encourage community technology assessment efforts.

32 (j) Partner with appropriate agencies and organizations to
33 develop a distributed network of centers to assist local small
34 business to adopt electronic commerce.

35 15347.6. (a) There is hereby established the San Joaquin
36 Valley Communications Leadership and Information Center Grant
37 and Loan Program. It is the intent of the Legislature that the
38 program shall provide during its five-year duration an aggregate
39 of twenty-two million two hundred fifty thousand dollars
40 (\$22,250,000) in grants to eligible entities, including small cities

1 and rural communities and one hundred million dollars
2 (\$100,000,000) in loans to eligible entities, including large cities.

3 (b) In addition to the amount of bonds authorized to be
4 outstanding at any one time pursuant to Section 63071 and
5 notwithstanding any other provision of law, the California
6 Infrastructure and Economic Development Bank may issue
7 revenue bonds in an amount sufficient to generate one hundred
8 million dollars (\$100,000,000) in bond proceeds for the purposes
9 of funding the loan portion of the program established in
10 subdivision (a).

11 (c) From the money allocated in any fiscal year to CLIC
12 pursuant to subdivision (a), up to one million dollars (\$1,000,000)
13 shall be made available to fund the operational expenses of CLIC,
14 including staffing, equipment and supplies, travel, and expenses
15 and the remaining allocated funds shall be used to fund grants for
16 the development of infrastructure and economic development
17 projects and community technology programs to address the
18 digital divide.

19 15347.7. (a) For the purposes of the San Joaquin Valley
20 Communications Leadership and Information Center Grant and
21 Loan Program, the following entities shall be eligible for grants:

22 (1) Cities in the San Joaquin Valley with fewer than 60,000
23 residents.

24 (2) Counties serving unincorporated communities in the San
25 Joaquin Valley with fewer than 40,000 residents.

26 (3) Nonprofit organizations with telecommunications
27 expertise serving the San Joaquin Valley.

28 (4) Public educational institutions serving the San Joaquin
29 Valley.

30 (5) *Closed military bases.*

31 (b) Under the program, the following entities shall be eligible
32 for loans:

33 (1) Cities in the San Joaquin Valley with greater than 60,000
34 residents.

35 (2) Nonprofit organizations with telecommunications
36 expertise serving the San Joaquin Valley.

37 (3) Public educational institutions.

38 (4) *Closed military bases.*

39 (c) Except as otherwise provided in this subdivision, projects
40 with a public purpose and that are eligible for a grant under this

1 article shall provide at least 50 percent cash or in-kind local
2 contributions as matching funds. However, projects in
3 low-income areas, as determined by the board of directors of
4 CLIC, shall be subject to a reduced local matching requirement
5 and shall be required to provide at least 10 percent cash or in-kind
6 local contributions as its share of matching funds.

7 (d) Grants shall be awarded and loans shall be made based on
8 both the actual and potential size and demonstrated need of the
9 community or organization as well as leadership and
10 implementation capacity, community support, and collaborative
11 efforts.

12 15347.8. This article shall remain in effect only until January
13 1, 2007, and as of that date is repealed, unless a later enacted
14 statute, that is enacted before January 1, 2007, deletes or extends
15 that date.

16 SEC. 2. Section 63051 is added to the Government Code, to
17 read:

18 63051. (a) There is hereby established as an account within
19 the California Infrastructure Bank Fund, the Communications
20 Leadership and Information Center Account. Proceeds from the
21 sale of revenue bonds authorized by subdivision (b) of Section
22 15347.5 shall be deposited into this account and may be used for
23 the purposes of funding loans authorized and issued pursuant to
24 Article 3.8 (commencing with Section 15347) of Chapter 1 of Part
25 6.7 of Division 3 of Title 2.

26 (b) The Infrastructure and Economic Development Bank shall
27 administer the financial aspects of the loan portion of the San
28 Joaquin Valley Communications Leadership and Information
29 Center Grant and Loan Program as established and described in
30 Sections 15347.5 and 15347.6.

31 SEC. 3. (a) The sum of five million four hundred fifty
32 thousand dollars (\$5,450,000) is hereby appropriated from the
33 General Fund for the 2001–02 fiscal year to the Technology,
34 Trade, and Commerce Agency for allocation to the
35 Communications Leadership and Information Center established
36 pursuant to Section 15347.2 of the Government Code.

37 (b) It is the intent of the Legislature to also appropriate the sum
38 of five million four hundred fifty thousand dollars (\$5,450,000)

- 1 for allocation to the center in each of the fiscal years from 2002-03
- 2 to 2005-06, inclusive.

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